



- Translation -

No. 51/2018/042

10 August 2018

Subject: Board Meeting Resolution on Connected Transaction

To: The President,  
The Stock Exchange of Thailand

Attachment: Information on Connected Transaction: Sub-leasing of Land, Leasing of Building and Purchasing of Related Property of the CentralFestival Phuket Project

The Board of Directors of Central Pattana Public Company Limited ("CPN") at its meeting No. 6/2018 held on 10 August 2018, passed the resolution to approve the sub-leasing of land, leasing of building and purchasing of related property of the CentralFestival Phuket Project with Central Department Store Co., Ltd. ("CDS"), a connected party. The objective of such transaction is to develop shopping complex at a cost of 1,282 million Baht (12% discounted present value). The size of this connected transaction compared with the value of net tangible assets of CPN and its subsidiaries under CPN's latest audited consolidated financial statements on 31 March 2018, of 71,907.14 million Baht, the size of this connected transaction equals to 1.78% under the announcement of the Capital Market Supervisory Board No. Tor Jor. 21/2008 on the criteria for connected transactions and the announcement of the Stock Exchange of Thailand's Board on the disclosure of information and practices of listed companies on connected transactions, B.E. 2546 (2003). The details are shown in attachment.

Your acknowledgment of these matters would be appreciated.

Sincerely,

*-Ampawee Chompoopongkasem-*  
(Ms. Ampawee Chompoopongkasem)

Company Secretary

**Information about the Connected Transaction on  
Sub-leasing of Land, Leasing of Building and Purchasing of Related Property of the CentralFestival Phuket Project**

**1. Transaction date**

This will be engaged within quarter 4/2018.

**2. Contract parties and relationship**

Land lessee: Central Pattana Public Company Limited or its subsidiaries ("CPN")

Lessor: Central Department Store Company Limited ("CDS"),  
a subsidiary of Central Retail Corporation Co., Ltd. ("CRC"), a subsidiary of  
Central Retail Corporation Company Limited ("CRC")

Relationship: Both parties have a common major shareholder, namely the Chirathivat group (ordinary persons and juristic person), which holds 53% shares in CPN and 100% owns CDS.

**3. Details and nature of transaction**

- 1) CPN shall sublease land, an estimated total area of 4 rais, which is a location of Central Department Store owned by CDS for estimated 38 years.
- 2) CPN shall lease the areas within the Central Department Store from CDS for estimated 38 years with a plan to renovate such areas into additional leasable areas in the CentralFestival Phuket Project.
- 3) CPN shall purchase or transfer ownership of properties within the Central Department Store (such as system work, tools, and equipment within the building's areas of CDS rented by CPN).

**4. Gross transaction value**

The cost of sub-leasing of land, leasing of building and purchasing of related property in the CentralFestival Phuket Project from CDS approximately amounts to 1,282 million Baht (Excluding the register fees, value-added tax, and other related expenses) or 1.78% of the value of net tangible assets based on the consolidated financial statements on 31 March 2018.

**5. Criteria for calculating the total transaction value and other compensation**

The criteria for determining the value of compensation follow the terms and conditions in the land sub-lease and building lease agreements. All agreements follow the conditions for arm's length transactions and negotiation between CPN (lessee) and CDS (Lessor). Reference is made to the valuation by S.L. Standard Appraisal Company Limited and N&A Appraisal Company Limited

(independent valuers), together with a review of the potential of shopping complex project development on such land.

#### 6. Opinion of independent financial advisor

Although under the announcement of the Capital Market Supervisory Board No. Tor Jor. 21/2008 on the criteria for connected transactions and the announcement of the Stock Exchange of Thailand's Board on the disclosure of information and practices of listed companies on connected transactions, B.E. 2546 (2003), CPN has no need for an independent financial advisor (IFA), but for the sake of transaction transparency, CPN hired Maybank KimEng Securities (Thailand) Public Company Limited as its IFA. In the IFA's opinion, the investment of CPN in the part of Central Department Store building located in the CentralFestival Phuket Project is sensible, beneficial to CPN, and fair to both parties.

#### 7. Opinions of the Board and the Audit Committee

Excluding directors with vested interests in this transaction, the Board and the Audit Committee regarded this engagement as sensible, done with principle, and at acceptable prices. The building and land hold by CDS in the CentralFestival Phuket Project are high potential for business growth, and the expected return from the project is sound. Such investment conforms to CPN's long-term business plan and would support CPN's commercial revenue to grow steadily. Terms and conditions in land sub-lease and building lease agreements are appropriate and cause no potential conflict of interest. They conform to normal business practice of long-term lease. In addition, entering into this transaction will fulfill the completeness of CPN's shopping complexes and can reach to several target customers. The Board therefore approved the entering into the connected transaction on sub-leasing of land, leasing of building and purchasing of related property with CDS in the CentralFestival Phuket Project. This approval was made in the absence of the directors with vested interests, who held no voting rights on this matter, consisting of the following persons:

1) Mr. Suthichai	Chirathivat	Chairman
2) Mr. Suthikiati	Chirathivat	Director
3) Mr. Sudhisak	Chirathivat	Director
4) Mr. Sudhitham	Chirathivat	Director
5) Mr. Kobchai	Chirathivat	Director
6) Mr. Prin	Chirathivat	Director